The Commonwealth of Massachusetts

DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY

January 12, 2006

D.T.E. 05-84

Petition of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, d/b/a/ NSTAR Electric, for approval of revised tariffs M.D.T.E. Nos. 100A, 101A, 200A, 201A, 300A and 301A relating to the terms and conditions for distribution services and competitive suppliers.

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FOR: BOSTON EDISON COMPANY, CAMBRIDGE ELECTRIC LIGHT COMPANY, COMMONWEALTH ELECTRIC COMPANY D/B/A NSTAR ELECTRIC
Petitioners

I. INTRODUCTION

On November 21, 2005, Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, d/b/a/ NSTAR Electric (together, "NSTAR Electric" or "Company"), filed with the Department of Telecommunications and Energy ("Department"), proposed revised tariffs M.D.T.E. Nos. 100A, 101A, 200A, 201A, 300A and 301A, with an effective date of January 1, 2006. The proposed tariff revisions relate to NSTAR Electric's terms and conditions for distribution services and competitive suppliers. This matter was docketed as D.T.E. 05-84. The Department has suspended the tariffs for further investigation until February 1, 2006. NSTAR Electric, D.T.E. 05-84 (2005).

Pursuant to notice duly issued, the Department conducted a public hearing to receive comments on the Company's filing[1] on December 19, 2005. A technical conference took place immediately following the public hearing. Initial comments were filed by the Attorney General of the Commonwealth of Massachusetts ("Attorney General"), the Cape Light Compact, the Commonwealth of Massachusetts Division of Energy Resources ("DOER"), Direct Energy Services LLC ("Direct Energy"), Massachusetts Electric Company d/b/a National Grid ("National Grid"), the Medical, Academic, and Scientific Community Organization ("MASCO"), the Retail Energy Supply Association ("RESA"), The Energy Consortium ("TEC"), and TransCanada Power Marketing Ltd. ("TransCanada"). Reply comments were

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[1] NSTAR Electric's filing included the testimony of James G. Daly, director of electric and gas supply for the Company and NSTAR Gas. Mr. Daly adopted his pre-filed testimony as well as the factual matters discussed in NSTAR Electric's reply comments via Affidavit (Affidavit of James G. Daly, December 29, 2005).

filed by Associated Industries of Massachusetts ("AIM"), Direct Energy, NSTAR Electric, TransCanada, and Wal-Mart.

II. NSTAR ELECTRIC PROPOSAL

According to the Company, the proposed tariff revisions are designed to address load volatility relating to the practice of certain retail competitive suppliers switching large commercial and industrial ("C&I") customers on and off of basic/default service multiple times within a short period of time (Exh. NSTAR-JGD-1, at 9-10). The Company contends that this practice has resulted in increased basic/default service prices for those customers that are unable to take advantage of multiple switching (id. at 3). The proposed tariff revisions prohibit customers taking basic/default service from returning to the same retail competitive supplier that previously served them for a period of six months from the effective date of the change from competitive generation service to basic/default service (id. at 9).[2]

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[2] The Company's proposed tariff language is as follows:

> The Company shall reasonably accommodate a change from Default Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers and shall accommodate a change to Default Service from Generation Service, provided, however, that when a Customer changes from a Competitive Supplier to Default Service, the Customer is not permitted to return to the same Competitive Supplier for a period of six (6) months from the effective date of the change. Customers are permitted to switch from Default Service to a different Competitive Supplier who has not supplied the Customer with Generation service in the same six (6) month period.

M.D.T.E. 100A at 10; M.D.T.E. 101A at 3; M.D.T.E. 200A at 9; M.D.T.E. 201A at

(continued…)

In response to concerns that NSTAR Electric's proposal could prevent a customer that switches to basic/default service at the end of a contract from returning to the same supplier within a six-month period, the Company has asked the Department consider a revised proposal. The revised proposal is intended to allow customers that wish to return to a previous competitive supplier at the end of a prior contract that has expired to do so (NSTAR Electric Reply Comments at 15-17).[3]

III. POSITIONS OF COMMENTERS

A. NSTAR Electric

NSTAR Electric argues that its proposed revisions to its terms and conditions are necessary in order to prevent the switching practice of certain retail competitive suppliers that

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2 (…continued)
3; M.D.T.E. 300A at 10; M.D.T.E. 301A at 3.

3 The Company's revised proposed tariff language is as follows (emphasis added):

> The Company shall reasonably accommodate a change from Default Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers and shall accommodate a change to Default Service from Generation Service, provided, however, that when a Customer changes from a Competitive Supplier to Default Service, <u>unless the Customer or the Customer's applicable Competitive Supplier can demonstrate to the Company's reasonable satisfaction that the Customer has been placed on Default Service upon the expiration of a contract with such Competitive Supplier</u>, the Customer is not permitted to return to the same Competitive Supplier for a period of six (6) months from the effective date of the change. Customers are permitted to switch from Default Service to a different Competitive Supplier who has not supplied the Customer with Generation service in the same six (6) month period.

NSTAR Electric Reply Comments at 15-16.

has limited the ability of the Company to receive lowest-priced bids for wholesale generation services or inhibit bidding altogether (Exh. NSTAR-JGD-1, at 3; NSTAR Electric Reply Comments at 3). While NSTAR Electric acknowledges that this multiple-switching practice is not prohibited under the Department's current basic/default service procurement policies, the Company contends that smaller C&I customers or C&I customers who are of lower credit quality and who are served primarily through basic/default service pay increased prices as a result of this behavior (Exh. NSTAR-JGD-1, at 8; NSTAR Electric Reply Comments at 4).

Specifically, the Company contends that its most recent basic/default service solicitations for large C&I customers produced fewer bids than expected or desired, leading NSTAR Electric to investigate the causes of this trend (id. at 4). Based on this investigation, NSTAR Electric has identified load volatility driven by the migration of large C&I customers on and off of basic/default service as one cause (id. at 4-5).

NSTAR Electric contends that high load volatility results from retail competitive suppliers moving large C&I customer load onto basic/default service when the wholesale market price is higher than the basic/default service price. According to the Company, the retail competitive suppliers then sell the power that would have been used otherwise to serve the large C&I load at a higher price in the market (id. at 6). NSTAR Electric has observed that, of the approximately 960 megawatts ("MW") of basic/default service demand, its load volatility has been as much as 160 MW over a period of a few months, with load swings of 50 MW within a few days (id.). Over 2004 and 2005, approximately 36 percent of NSTAR Electric's large C&I customer accounts switched on and off of basic/default service during the course of a year, with the average period between switches being 66 days (id. at 6, 8; NSTAR Electric Reply Comments at 10-11). Of these accounts, the Company states that 82 percent returned to the same retail competitive supplier (id. at 6). NSTAR Electric attributes this load volatility to the multiple-switching practices of three competitive suppliers (id.).

In response to arguments by Direct Energy, NSTAR Electric contends that the Restructuring Act in no way prohibits the Department from approving its proposed terms and conditions (id. at 6-7). In fact, NSTAR Electric contends that its proposal furthers the Department's responsibility under the Restructuring Act to protect all customers and implement policies that reduce customers' costs (id. at 9). Further, NSTAR Electric contends that it has provided sufficient evidence both identifying the problem at hand and supporting its proposed remedy (id. at 10-13).

Although NSTAR Electric acknowledges that its proposal is not the only option for addressing default/basic service load volatility, it contends that it is the best proposal in the near-term to limit the multiple-switching practice (NSTAR Electric Reply Comments at 5). NSTAR Electric argues that its revised proposal is narrowly tailored to address the issue of multiple-switching and is far less restrictive than the practices in other New England states (i.e., Connecticut and Maine) that have implemented anti-switching provisions (id. at 15).

Finally, NSTAR Electric states that the longer-term solutions offered by a number of commenters, including hourly pricing for large C&I customers, cannot be implemented in time to address load volatility prior to the Company's next basic/default service solicitation. In addition, NSTAR Electric contends that the longer-term solutions raise a number of policy and cost considerations that are more appropriately addressed by the Department in the context of a generic proceeding (id. at 18-19).

B. Attorney General

The Attorney General supports NSTAR Electric's proposal, urging the Department to take action to end what he calls "the unreasonable dealings of certain retail competitive suppliers who are unfairly manipulating the rules of the state's basic/default service system" (Attorney General Comments at 1). The Attorney General contends that these practices have limited the opportunities for NSTAR Electric to receive the lowest-priced bids or inhibited bidding activity altogether – resulting in increased basic/default service prices for those other C&I customers unable to take advantage of multiple switching (id.).

C. AIM

AIM also supports NSTAR Electric's proposed tariff revisions (AIM Reply Comments at 1). According to AIM, NSTAR Electric's proposal appropriately addresses the activities of a few retail competitive suppliers that use basic/default service as an option for their customers instead of the supply of last resort service for which it was intended (id.). AIM contends that this practice has contributed to an increase in basic/default service prices for large C&I customers that are not the beneficiaries of multiple switching (id.).

D. National Grid

National Grid supports NSTAR Electric's proposal, stating that its experience also demonstrates that several competitive suppliers frequently "park" customers on basic/default service for brief periods of time (National Grid Comments at 1). National Grid contends that, since January 1, 2003, there have been 664 events where a customer has switched from a competitive supplier to basic/default service and then back to the same competitive supplier – with 574 of these events caused by two suppliers (id.). To address arguments that NSTAR Electric's solution is over-broad, National Grid supports an exception that would allow a customer to switch back to the same competitive supplier if the preceding switch to basic/default service occurred at the scheduled expiration of the original contract (id. at 2).

E. Cape Light Compact

The Cape Light Compact argues that the Department should reject NSTAR Electric's proposed tariff revisions because they restrict customer choice and are a "serious impediment" to the development of a competitive market (Cape Light Compact Comments at 2). According to the Cape Light Compact, any restriction of customer switching would be drastic and should only be undertaken absent compelling evidence of necessity (id.). If the Department does determine that a tariff modification is necessary, the Cape Light Compact argues that it should be narrowly tailored to meet the specific need (id.).

F. Direct Energy

Direct Energy argues that NSTAR Electric has not presented evidence sufficient to warrant approval of its proposed tariff changes (Direct Energy Comments at 2-5). Specifically, Direct Energy argues that NSTAR Electric has presented none of the data or analysis upon which its arguments are based (id. at 3). In addition, Direct Energy argues that the Department does not have the authority to prohibit the customer switching practices described by NSTAR Electric because the Restructuring Act requires distribution companies to accommodate retail access to generation services and choice of suppliers by retail customers (id. at 7, citing G.L. c. 164 § 1A(a)).

Direct Energy contends that there are strong policy reasons for proceeding with caution before approving what it characterizes as a fundamental change in the rules of default service procurement (Direct Energy Reply Comments at 1). Direct Energy states that, under the current rules, the competitive market is working well for large C&I customers in Massachusetts with approximately half of Boston Edison Company's customers (or 60 percent of its load) on competitive supply (Direct Energy Reply Comments at 1-2). Direct Energy argues that the large C&I customer segment has incorporated default service into its power purchasing decisions (id. at 2). Direct Energy states that large C&I customers see value in being able to switch on and off of basic/default service at will and, rather than being a problem as alleged by NSTAR Electric, such switching is rational behavior (Direct Energy Comments at 5). Direct Energy argues that, so long as distribution companies procure supply for customers in any manner other than a pass-through of hourly pricing, customers and suppliers will rely on basic/default service for strategic and tactical purposes (id. at 11).

Direct Energy suggests that, rather than impose the overly broad remedy suggested by NSTAR Electric, the Department should engage in direct discussions with the suppliers actively switching customers in an attempt to resolve the matter (id. at 9). Further, Direct Energy argues that a far more effective remedy would be to move to hourly pricing for large C&I customers (id. at 10). By removing any incentive to switch customers, Direct Energy argues that hourly pricing would completely eliminate the "gaming" NSTAR Electric describes and will lead to a more efficient market (id. at 11). In addition, Direct Energy argues that hourly pricing will facilitate demand response activities by large C&I customers (id. at 12).

G. DOER

Overall, DOER argues that NSTAR Electric's proposal should be rejected as a restraint of trade and as anti-competitive (DOER Comments at 7). As an initial matter, DOER argues that NSTAR Electric has not demonstrated that high electricity prices are caused by load volatility. Instead, DOER suggests that other factors may have a stronger causal affect on basic/default service prices including: high and volatile wholesale spot market prices (and underlying volatile natural gas prices); uncertainty in uplift, congestion, reliability must run ("RMR"), and other ancillary and capacity services; and market power among wholesale electricity suppliers (id. at 3-4).

DOER argues that NSTAR Electric's proposal will adversely impact long-term business relationships among customers and their competitive suppliers (id. at 6). In addition, DOER argues that removing the switching option will increase prices to customers (id.).

DOER supports hourly pricing for large C&I customers as an alternative to NSTAR Electric's proposal (id. at 6-7). DOER argues that large C&I customers have been the most active participants in the competitive market and have the technical and financial ability to shop for competitive options as an alternative to hourly pricing (id. at 7). While DOER acknowledges that there may be large C&I customers without favorable enough load factors or credit to obtain competitive offers, DOER accepts that, in a well functioning market, prices should be higher for these customers (id.).

H. MASCO

MASCO argues that NSTAR Electric's proposal is inconsistent with the Department's policy goals of encouraging competition and customer choice (MASCO Comments at 6, citing Default Service, D.T.E. 02-40-C (2003)). In addition, MASCO argues that NSTAR Electric has failed to provide evidence that the switching practices have occurred or that such practices are the cause of any harm (id. at 4).

MASCO states that NSTAR Electric's proposal imposes a *de facto* six-month procurement period on any large C&I customers who switch from competitive supply to basic/default service because customers must undertake a burdensome process to evaluate, select, and negotiate with a new supplier (id. at 7). MASCO contends that NSTAR Electric's proposal will increase the costs incurred by large C&I customers in obtaining electric supplies (id. at 5). Finally, MASCO argues that, under NSTAR Electric's proposed tariff revisions, customers will still be permitted to switch on and off of default service multiple times and, therefore, its proposal does not directly address the issue of load volatility (id.).

I. RESA

RESA argues that NSTAR Electric's proposal is unacceptable because it would limit choice and competitive options, would harm retail suppliers, and would disrupt the ongoing development of the competitive market (RESA Comments at 6, 12-13). In addition to being inherently anti-competitive and contrary to the goals of the Restructuring Act, RESA argues that NSTAR Electric's proposal would disrupt the important relationships between customers and suppliers. RESA contends that retail suppliers invest considerable time and resources developing such relationships which allow customers to take advantage of innovative product offerings that meet their needs (id. at 12).

RESA suggests that any reduction in the number of wholesale bids may be due to numerous factors other than the load volatility identified by NSTAR Electric, including uncertainty regarding congestion costs, the costs of RMR contracts, and the lingering effects of the hurricanes on oil and gas supplies (id. at 8). RESA argues that in order to accept the proposed tariff changes, the Department should require NSTAR Electric to present evidence that (1) a pervasive gaming problem exists; (2) such problem obstructs the wholesale bidding process; and (3) the obstruction leads to intolerable price increases for customers (id. at 6-7). RESA contends that the switching statistics presented by NSTAR Electric fail to account for switches that are the legitimate product of customer choice (RESA Comments at 7).

RESA contends that, rather than "gaming," frequent switching results from customers making informed decisions about the management of their energy costs – and that this is the "hallmark of a robust and well-functioning" market (id.). RESA argues that NSTAR Electric's proposed solution is flawed because it will not eliminate migration risk (id. at 11).

RESA states that no other state has adopted a prohibition like NSTAR Electric and it contends that there are other better solutions available to address NSTAR Electric's concerns (id. at 14). For example, RESA suggests that the Department should adopt hourly basic/default service prices for large C&I customers. According to RESA, hourly pricing would eliminate the incentives for switching that may lead to migration risk. In addition, RESA contends that hourly pricing would stimulate competition because customers will likely prefer a risk-managed service from a competitive supplier. Finally RESA contends that hourly pricing will have societal benefits including fostering demand response activities which will lead to more efficient wholesale markets (id. at 15-16). RESA notes that New Jersey currently mandates hourly pricing for larger customers (and New York, Maryland and Pennsylvania offer some form of real time pricing as an option for their largest customers) (id. at 17). If the Department determines that hourly pricing cannot be adopted in the short-term, RESA suggests that the Department should adopt monthly pricing as an interim solution (id. at 18).

J. TEC

TEC argues that there should not be any restrictions on moving to and from competitive supply and that NSTAR Electric's proposal will hurt competition and is contrary to the goals of the Restructuring Act (TEC Comments at 1). TEC argues that there are not enough competitive suppliers to restrict customer switching and that any restrictions will hurt competition and result in higher prices for large C&I customers (id.).

In addition, TEC notes there are several reasons why a customer may choose to move back and forth from competitive supply that should not be considered gaming – including circumstances where a supply contract has ended and a customer has not been able to get a new contract in place to continue service seamlessly (id.). Also, TEC argues that, in a climate of volatile energy prices, short term contracts of a month or two in duration are common (id. at 2).

K. TransCanada

TransCanada argues that prohibiting flexibility in contracting and in choice of competitive supplier will harm retail competition in Massachusetts (TransCanada Comments at 3). Further, TransCanada contends that NSTAR Electric has not shown that smaller, less credit worthy C&I customers have been disadvantaged by the switching behavior of other C&I customers (id. 4).

TransCanada states that there is no true urgency to NSTAR Electric's request because the primary cause of customer movement to and from basic/default service is the recent extreme price increase resulting from hurricanes Katrina and Rita (TransCanada Reply Comments at 2). Because NSTAR Electric procured its last power supply for large C&I customers prior to the price run-up, TransCanada asserts that customers saw a legitimate opportunity to save money by switching to basic/default service (id. at 2-3).

TransCanada contends that the switching statistics presented by National Grid in its initial comments serve to support the contention that no true problem exists. TransCanada indicates that National Grid's statistics show that only 0.450 percent of National Grid's approximately 147,000 C&I customers have undertaken multiple switches in recent years (id. at 4). In addition, TransCanada suggests that the recent increase in customer switching alleged by NSTAR Electric could be caused by short-term factors in the Boston-area wholesale markets that will disappear as soon as NSTAR Electric upgrades its transmission system (id.).

TransCanada contends that NSTAR Electric's proposal would remove the necessary flexibility customers now have in their decision making and contracting processes

(TransCanada Comments at 3). According to TransCanada, NSTAR Electric's proposal could drive suppliers out of the Massachusetts market as long-term relationships between suppliers and their customers are disrupted (id.).

TransCanada offers several alternatives. First, TransCanada suggests that NSTAR Electric should redesign its rate classifications to ensure that smaller C&I customers with less migration risk are bid separately from the larger C&I customers (id. at 5). TransCanada also suggests a "fixed block" alternative, whereby NSTAR Electric fixes the block size of power it purchases from competitive wholesale suppliers with the deficiency (or the excess) procured (or sold) in the spot market (id. at 6). Under this alternative, TransCanada argues that there is no volume risk and, therefore, no corresponding risk premium (id.). Finally, TransCanada suggests that NSTAR Electric should move to real-time pricing for its largest customers. In addition to solving the problem at hand, TransCanada argues that the installation of the necessary metering equipment would allow customers to respond to high hourly prices by curtailing usage, thus benefitting the wholesale market (TransCanada Comments at 6).

L. Wal-Mart

Wal-Mart has secured competitive electricity in twelve different states, including Massachusetts (Wal-Mart Reply Comments at 1). As a large customer, Wal-Mart contends that restrictions on moving to and from competitive suppliers will hamper competition in Massachusetts (id.). In its experience procuring energy, Wal-Mart contends that the most successful markets have short minimum stay requirements (i.e., 30 days or less) (id.). As an alternative to NSTAR Electric's proposal, Wal-Mart suggests the Department evaluate bidding out customer accounts on basic/default service, similar to how it is currently done in Texas (id.).

IV. ANALYSIS AND FINDINGS

The Department has established well-defined policies with respect to the role of basic/default service in the development of the competitive market. For larger customers, we have determined that basic/default service should provide customers with the appropriate incentives to turn to the competitive market for more advantageous service offerings. Default Service, D.T.E. 02-40-B at 7 (2003). Further, we have stated that larger customers should view basic/default service as a "short-term, last resort service, rather than a longer-term alternative to competitive supply." Id. The fundamental issue the Department must decide in this proceeding is whether the supplier switching practice described by NSTAR Electric is consistent with this policy and, if not, how best to address the practice.

In Pricing and Procurement of Default Service, D.T.E. 99-60-B at 14 (2000), the Department faced an analogous situation involving customers taking basic/default service under the fixed price option, who switched to a competitive supplier during the middle of a basic/default service term. In order to ensure that customers would be charged the full costs of providing the service, the Department directed that the costs charged to these customers would be recalculated using the monthly prices in effect during the months that the customers received basic/default service. Id. The Department stated that "rendering a recalculated bill for costs caused, but not yet paid, during high-cost service months should eliminate any reasons for competitive suppliers to promote seasonal migration to default service customers during high-cost months. . . ." Id. at 10, n.12.

As with the practice addressed in D.T.E. 99-60-B, the switching practice identified by NSTAR Electric in this proceeding involves competitive suppliers using the difference between prevailing market prices and basic/default service prices as a way to lower their customers' costs. While this practice is not prohibited under our current basic/default service procurement rules, it uses default/basic service for a purpose for which it was not originally intended – namely as a competitive option rather than a short-term, last resort service

We find that NSTAR Electric has demonstrated that the practice of multiple switching has the potential to raise prices for large C&I customers who rely on basic/default service as a service of last resort (Exh. NSTAR-JGD-1, at 4-9; NSTAR Reply Comments, Att. B-1, B-2, C, D). Accordingly, because the practice of multiple switching is inconsistent with our basic/default service policies and has the potential to harm large C&I customers who must rely on basic/default service as a service of last resort, we find that it is appropriate to take steps to address the practice here.

In place of the tariff changes proposed by NSTAR Electric, some commenters suggest that the Department focus on solutions that change the way that basic/default service supply is procured and priced to eliminate the incentive for the behavior. Solutions such as moving to hourly pricing for large C&I customers may resolve the issue, but they are long-term in nature and, before implementation, would require a full examination of all potential benefits and costs. A shorter-term solution to address the practice of multiple switching in order to reduce basic/default service load volatility is warranted here.

We agree with the commenters who suggest that NSTAR Electric's initial proposal, precluding any large C&I customer on basic/default service from switching back to the same competitive supplier for a period of six months, is overly broad. Such tariff language would limit the competitive choices of a customer who has switched back to basic/default service because its contract with the competitive supplier has ended. Such customer may intend to remain on basic/default service only for a short period time while it evaluates its competitive options. This behavior is entirely consistent with the intended purpose of basic/default service as a short-term, last resort supply option.

NSTAR Electric itself has recognized the unintended effect of its original proposal and has offered an alternative proposal that would allow competitive suppliers and their customers to overcome the six-month preclusion if the switching activity occurred at an end of a contract term (NSTAR Electric Reply Comments at 15-17). Such revision directly prevents the multiple-switching practice at issue, while acknowledging the appropriate use of basic/default service as an option between competitive supply contracts.[4]

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[4] NSTAR Electric's proposed revised tariff language requires the competitive supplier or the customer to "demonstrate to the Company's reasonable satisfaction" that the customer has been placed on default service upon the expiration of a contract with such competitive supplier (NSTAR Electric Reply Comments at 16). The Department directs NSTAR Electric to amend this proposed language to clarify that such demonstration will be upon express and particular request from the Company and that customer enrollment transactions will occur consistent with the appropriate Massachusetts Electronic Business Transaction ("EBT") standards. The Department

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In order to prevent the practice of multiple-switching during a contract term, the Department directs NSTAR Electric to revise its terms and conditions to preclude a customer switching from a competitive supplier to basic/default service from returning to the same competitive supplier for period of six months from the effective date of the change unless the customer has been placed on basic/default service upon the expiration of a contract with such competitive supplier. If the Company suspects that a competitive retail supplier licensed by the Department is continuing to engage in the practice of multiple-switching during a contract term, it may report the supplier to the Department for investigation. If we conclude, after investigation, that multiple-switching during a contract term has occurred, the Department can take appropriate action to remedy the situation.

V. ORDER

Accordingly, after review, public hearing and consideration, it is

ORDERED: That tariffs M.D.T.E. Nos. 100A, 101A, 200A, 201A, 300A and 301A, filed by Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company, d/b/a NSTAR Electric on November 21, 2005, to become effective January 1, 2006, and suspended for further investigation until February 1, 2006, are DENIED; and it is

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[4] (…continued)
expects NSTAR Electric will employ a procedure focused on particular cases, as needed, so as not to encumber all market transactions with unnecessary proofs or documentation. In the event of a dispute between the Company and a retail competitive supplier or a customer, the Department will determine whether NSTAR Electric has acted reasonably.

FURTHER ORDERED: That Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company, d/b/a NSTAR Electric file revised tariffs consistent with this Order; and it is

FURTHER ORDERED: That Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company, d/b/a NSTAR Electric shall follow all other directives contained in this Order.

By Order of the Department,

/s/

Judith F. Judson, Chairman

/s/

James Connelly, Commissioner

/s/

W. Robert Keating, Commissioner

/s/

Brian Paul Golden, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.